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FISCAL IMPACT STATEMENT

LS 6323

BILL NUMBER: HB 1063

NOTE PREPARED: Apr 7, 2005

BILL AMENDED: Apr 5, 2005

SUBJECT: Eminent Domain for Commercial Uses.

FIRST AUTHOR: Rep. Wolkins

FIRST SPONSOR: Sen. Bray

BILL STATUS: As Passed Senate

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that the state or a political subdivision may not use eminent domain to acquire property for public use to transfer any interest in property to another person for commercial use unless: (1) there is a substantial likelihood that the acquisition of the property will promote the opportunity for employment or create business opportunities; and (2) the property is in a blighted area. The bill defines "blighted area" for purposes of this act to mean an area in which normal development and occupancy are undesirable or impossible due to: (1) deterioration; (2) obsolescence; (3) substandard structures; or (4) the vacancy or abandonment of a significant percentage of the property in the area.

Effective Date: July 1, 2005.

Explanation of State Expenditures:

Explanation of State Revenues: See *Explanation of Local Revenues*.

Explanation of Local Expenditures:

Explanation of Local Revenues: This bill would allow the state or a political subdivision to acquire land via eminent domain for public use and transfer ownership for commercial use only under certain circumstances. The bill defines a commercial use as one that is not directly related to providing a governmental service or fulfilling a governmental responsibility. Uses such as private residential use or development, private development under a lease, and retail or industrial uses are listed by the bill as being commercial uses.

This bill could have a fiscal impact if the state or a political subdivision makes additional expenditures because the eminent domain process will be able to be used to purchase property that was otherwise inaccessible. The fiscal impact of this bill is indeterminable. This bill does not affect utilities, airport boards, or railroads.

State Agencies Affected: Certain entities having the ability to exercise the power of eminent domain.

Local Agencies Affected: Certain entities having the ability to exercise the power of eminent domain.

Information Sources:

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